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19 May 1976

MEMORANDUM FOR: Chief, PPG/Office of Security

FROM:

[REDACTED]
Acting Chief, Operations Staff

SUBJECT: Draft Proposed Executive Order to Replace
Executive Order 10450

1. We have reviewed the draft Executive Order, and we have serious reservations concerning the various elements of the draft. In Section 3 paragraph (b), there is an exemption sentence covering CIA, NSA and the FBI. This exemption for these three agencies, however, rests upon existing procedures or requirements established by statute or other Executive Orders. With regard to the Central Intelligence Agency, there exists, of course, the provision in the National Security Act of 1947 which gives the authority to the DCI to terminate, at his discretion, the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interest of the United States. (Section 102 (c)). In addition, Executive Order 11905, Section 4(b)(8) and (9), gives the Agency certain authorities for the conduct of security investigations of applicants, employees and other persons with similar association with the CIA, as are necessary.

2. Our concern is, however, that the Agency's current personnel security program is not based upon Executive Order 11905, but is based upon Executive Order 10450, which is to be rescinded. We suggest that the better method of handling this proposed Executive Order is to totally exempt CIA from its provisions and to ensure that our program is written so that every provision of the proposed Executive Order is answered by a parallel provision in our procedures and is based upon the requirements outlined in Executive Order 11905.

3. As noted above, we feel from reading the Executive Order that the Agency, NSA and the FBI are exempt. However, it can be read that these agencies are not totally exempt from the provisions of this proposed Executive Order. We would suggest that the Office of Security first ascertain whether or not the Agency is exempt from these provisions. There seems to be confusion on this point, and we suggest that the Office of Security may wish to consult with OGC for clarification.

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4. We wish to bring to the attention of the Office of Security that in Executive Order 11905 under Section 4(c)(x) the Director of Central Intelligence shall ". . . insure the establishment, by the Intelligence Community, of common security standards for managing and handling foreign intelligence systems, information and products, and for granting access thereto."

5. It would appear that what is needed here for CIA is an Executive Order outlining the security standards for the intelligence community and not a Government-wide Executive Order concerned with the same topic.



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